Lanka was here we reiterated our well-known position that we are (1) for the unity and integrity of this country and (2) that as the Member has said, the legitimate rights of the Tamils must be respected and safeguarded.

SHRI SUBRAMANI AN SWAMY: If the legitimate rights are not being given, why should we not, as the Soviet Union is for belconisation, ask them to have Eelam in Sri Lanka? If the legitimate rights of Tamils are not being conceded to by the Sri Lankan Government, why should the Government of India be committed to a single Sri Lanka? Let there be Tamil Eelam? Why should they come in the way?

MR. CHAIRMAN: Question No. 223.

SHRI SUBRAMANIAN SWAMY: I do not think my question was so sharp that he should be speechless *on* it He should make some remark.

MR. CHAIRMAN: He cannot say that he will be a party to the decision of another State.

SHRI SUBRAMANIAN SWAMY: The question is, if the legitimate rights of Tamils are not being conceded to, what is the Government of India going to do?

MR. CHAIRMAN: In diplomatic channel, in diplomatic language, they are pursuing it.

Question No. 223.

Losses Suffered by Hindustan Shipyard, Visakhapatnam

*223. SHRI DINESHBHAI TRIVEDI:

SHRI SHIV PRATAP MISHRA:

. .Will the Minister of SURFACE TRANSPORT be pleased to state:

†The question was actually asked on the floor of the House- by Shri Shiv Pratap Mishra.

(a)what is the actual operational loss incurred by Hindustan Shipyard, Visakhapatnam, during the last three years:

(b) what is the amount of loss on account of pricing policy of the Government in respect of Hindustan Shipyard, Visakhapatnam during the above period; arid

(c) what remedial action is being taken by Government to prevent further losses in HSL with the details thereof?

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) to (c) A statement is laid on the Table of the House.

Statement

The operating losses (namely losses without taking into account interest and depreciation) suffered by Hindustan Shipyard Limited (Visakhapatnam during the last 3 years are given below:

Year	Operating loss (Rs. in crores)
1988-89	23.79
1989-90	28.94
1990-91 (Provisional)	17.77

A number of factors contribute 1o the losses of Hindustan Shipyard. The more important ones are:

(a) Low productivity;

(b) Huge cost-price gap due to pricing formula;

(c) Long time over-runs in completion of ships;

(d) Huge interest burden arising out of borrowings for meeting the cost-price gap etc.

Since all these actors are inter related, quantification of losses ari sing only out of pricing policy is. therefore, not feasible.

A number of steps are under con sideration of the Government for revival of the Shipyard. These include capital restructuring, upward revision of Government subsidy payable for construction of ocean-going vessels, duty free imports upto 50 per cent of the realisable price of vessel etc.

SHRI SHIV PR AT AP MISHRA; I would like to know through you, Sir, what is the total outlay so far made on Hindustan Shipyard Ltd.? Since the shipping industry is showing signs of revival, will the Government take measures to make it a profitable concern?

SHRI JAGDISH TYTLER: Sir, right from 1980s shipping industry had been going through a lot of recession all over the world and our country did not escape from it. There have been reasons for losses of the Hindustan Shipyard. In 1988-89 they had operational losses of Rs. 23.79 crores, in 1989-89 it was 28.94 crores and in 1990-90 Rs. 17-77 crores.

We are taking measures to see that things improve. Some of the packages have been approved by the Government. They are very long. I could give them to the Member or lay them on the Table of the House.

SHRI P. UPENDRA: Sir, the Hindustan Shipyard is in a really bad shape very bad shape and is on the verge of closure, actually. I visited that place and I brought it to the notice of the honourable Minister also sometime ago when the Employees' Union came and met him. Every two, three months the Union has to approach the Government of India for sanctioning a special amount to the company for paying the salaries of the employees. No ships are being built there now and I believe that the Shipping Corporation of India and other shipping companies are buying ships elsewhere whereas there are no orders for the Hindustan Shipyard. I don't know why ships are being allowed to be bought elsewhere when so much capacity is lying unutilzed here. The Minister promised that he would visit the Hindustan Shipyard and make a personal appraisal of the situation there. What steps is he going to take to revive this industry and also stop buying ships elsewhere when the capacity is available in India?

SHRI JAGDISH TYTLER: Sir, we are encouraging, rather, we are working on a package to revive the Hindustan Shipyard. It is not true that there are no orders there. No doubt after October the situation is going to be bad and that is why the Government of India is already working on a package including orders from some private people in India. But there have been certain reasons and the reasons are quite a few in number. In case you would like me to give them, Sir, I will give you the reasons.

There have been reasons why there has been a poor financial situation. Because we have had unrealistic prices of vessels, the Shipyard's management had taken overdrafts from the banks at very high rates. There has been productivity and they are rather overstaffed. There has been an increase in constructional costs which would delay the delivery of vessels on the order book, as the honourable Member has said. So, keeping these in view, the Government of India has taken certain measures and we hope—I am only saying that we hope—that HSL will be able to improve. I cannot say that they will improve but we hope that we think so.

SHRI P. UPENDRA. He can go m person and see.

SHRI JAGDISH TYTLER: I am going to. As soon as this Parliament session is over, I will virit: the

place. Actually, this morning only I talked to the Chairman and said I would like to go and visit and spend a day or so and try to see if I could put the things right.

MR. CHAIRMAN: But he says that you are purchasing ships elsewhere instead of putting orders on your own Shipyard. That is what he is saying.

SHRI JAGDISH TYTLER: May be he is true Sir. .. *(Interruptions)* ... I am sorry ... (Interruptions) ...

SHRI P. UPENDRA: I have seen it myself.

SHRI JAGDISH TYTLER: I apologize for the word "maybe" used by me. Partly it is true, Sir. Partly we are not getting orders because financially it is in a mess. It is not because of the present management but because a lot of money has been collected which has been due to the banks and others. I will give examples.

MR. CHAIRMAN: You are not putting orders there because it is in a mess?

SHRI JAGDISH TYTLER; It is not that, Sir, With due apologies, it is not that we don't give orders. It is rather that a people don't come and give orders.

MR. CHAIRMAN: Why are you purchasing 6hips elsewhere? That is what he is asking.

SHRI JAGDISH TYTLER: No, Sir, we are not purchasing ships from elsewhere. Because whatever capacity is there, I will tell you, Sir.... *(Interruptions)*....

SHRI P. UPENDRA: In the last five years, how many ships have you built there? Let him say that. Nothing is being built. They are taking their salaries—thousands of employees—and sitting idle. No ship is being Inittt there. Does it mean that India has not bought any ships in the last three, four years?

SHRI GURUDAS DAS GUPTA: Sir, I can give an example..... (Interruptions) ...

SHRI JAGDISH TYTLER: Would you let me answer? I want to answer this honourable Member first. Then I will come to your question.

Sir, the Shipping Corporation of India had ordered for the construe-tion of four bulk carriers of 42,750 DWT with contracted delivery dates on 3-6.88 and 31-12-88. The latest revised delivery dates are March 1992 and March 1993. The contract for these ships was signed in May 1985. Of these two vessels, No. 1131 has made a substantial progress but is yet to reach the launching stage. On the other hand, about vessel No. 1132, the physical progress is about 19 per cent, and an expenditure of Rs. 12.29 crores has so far been incurred. The anticipated total cost of 11.32 will be Rs. 71 crores, while the contracted price is only Rs. 29 crores. There has been a substantial price escalation from the time the ship's orders were taken. I would like to inform the Members that there are private shipowners who are prepared to take it at today's price. There have been some problems with the Shipping Corporation which does not want to part with it because when it was ordered the cost was only Rs. 29 crores but today when the ship will be practically ready by the next month, there are people who are prepared to pay Rs. 71 crores. The Shipping Corporation says that it will give only Rs. 29 crores because that is the contracted rate

MR. CHAIRMAN: They are asking them to charge less.

SHRI JAGDISH TYTLER: No. When they ordered this on the Hindustan Shipyard the cost on which they agreed was Rs. 29 crores. But when the. ship is ready now, the Hindustan Shipyard says, "We cannot

give it to you at that price because the market price of the ship has gone up. We are getting Rs. 71 crores."

MR. CHAIRMAN: Are you in charge of both?

SHRI JAGDISH TYTLER: Yes, I am. So we are working on that. The Shipping Corporation and the Hin dustan Shipyard, we are

MR. CHAIRMAN: Have you decided to solve it quickly?

SHRI JAGDISH TYTLER: Yes, Sir, we are already at it.

MR. CHAIRMAN: He is in charge of both. He will put them together and settle the whole thing.

SHRI P. UPENDRA: Instead of keeping the employees idle there and paying them salaries, you can subsidise the expenditure in the cost of the ship. What is this policy? You keep them idle and import ships! What is this? on the other hand you say that there is no foreign exchange. ... *(Interruptions)* ...

SHRI GURUDAS DAS GUPTA: I will give a specific example. The statement of the hon. Minister is not true.

SHRI SOM PAL: Hon. Chairman, Sir, for effecting improvement in the viability of Indian ports and to enable them to earn some foreign exchange, there was a. proposal that all ships with foreign flags would be allowed to visit Indian ports for effecting container aggregation. But it was not possible because of two reasons.

,MR. CHAIRMAN: The question is about the Hindustan Shipyard, Visakhapatnam.

SHRI SOM PAL: Yes, Sir, exactly.

But, this is not possible because of two reasons: One, this facility is not available at our ports. Secondly there was a suggestion to effect suitable amendment in the cabotage law which has gone obsolete and out-of-date. Earlier also I raised this issue in the House.

MR. CHAIRMAN: How does it relate to Visakhapatnam Shipyard?

SHRI SOM PAL: Sir, it relates to all the shipyards including the Hindustan Shipyard.

MH. CHAIRMAN: The question is about Visakhapatnam.

SHRI SOM PAL: The then Minister Mr. Manubhai Kotadia informed the House that it was receiving positive consideration of the Government on both these matters. So, what is the progress so far?

SHRI JAGDISH TYTLER: Sir, rather we had temporarily relaxed the cabotage law for one year. We did that because we would like to earn some more foreign exchange.

SHRI YASHWANT SINHA: Sir, I think the Minister is aware that the basic problem in this Shipyard, as in other shipyards, is the problem of delay in construction. It is the time over-run, the example he has just now given.

MR. CHAIRMAN: He has also mentioned it.

SHRI YASHWANT SINHA: The time over-run leads to cost over-run. In order to cut the time over-run they have to reach a settlement with the workers. That is very important. They will have to go into the details of why there are time over-runs. Somebody mentioned that the steel prices go up in the meanwhile, and because steel is the major construction material, all the inputs' costs go up. The specific question that I would like to ask is what steps he proposes to take to see that this time over-run in the construction is reduced and that the delivery schedules which are given by these shipyards are adhered to. This is the crux of the

problem. How does he propose to solve these.

SHRI JAGDISH TYTLER: Sir, the Shipyard is facing a lot of financial problem. I think the hon. former Finance Minister must be knowing *it* because they had gone to him. No doubt, Sir, we have overstaff, rather too much over-staff in the shipyards. We have taken some measures. If you permit me, I can read them out. Actually they have asked for the enhancement of subsidy to the Shipyard, including public sector and defence sector in respect of merchant ship vessels.

MR. CHAIRMAN; He says "What are you doing about time overruns?*'

SHRI JAGDISH TYTLER: I am coming to that point. The delay was caused because they do not have money.

SHRI YASHWANT SINHA: I would like to inform the hon. Minister, at one time, there was module construction going on. When you construct parts of the ship at different places, then, they are put together. Now there are various technological improvements which are possible apart from' the fact that the Shipyard is overstaffed. But overstaffing will not lead to delays, understaffing might.

The other point is—I hope the Minister would have mentioned it. but I would like to tell him—that unless they make a clean break with the past, it is not possible for them to improve the things. They cannot load on the new ship which will be constructed all the load of the previous years. May I know 'from the Minister whether he is prepared to make a clean break with the past and see that the new ships which will be ordered from the Shipyard will not be burdened with the interest rates and other things which have taken place in the past? He should make a clean break, make a fresh beginning; only then the Shipyard will become financially viable

SHRI JAGDISH TYTLER,: I agree with the suggestion made by the hon. Member. We are working on a proposal to send it to the Ministry. We should do it. Otherwise, it is not possible to improve the things.

SHRI GURUDAS DAS GUPTA: Sir, I humbly submit that whatever the Minister has been telling this House so far is far from the reality. It is true that there is no productivity. It is also true that the Shipyard is in a terrible financial mess. What is the reason for it? Why year after year steps have not been taken to revitalise the Shipyard? The main reason, according to me, is that it has been done deliberately so that the ships from outside are purchased, so that ships from outside can be chartered on a commission basis. That is the main Ilkason. It is the deliberate policy of somebody in power to see that the Indian ships are not properly manufactured. This is the only conclusion.

MR. CHAIRMAN: Please put your question.

SHRI GURUDAS DAS GUPTA: We have visited those places and there were complaints from the India a Shipping Corporation. They complained that their order lor the ship was not supplied on time. We asked them the reason. They told us "The Shipyard authorities have not been able to build the ship because the specific steel which they require was not supplied by the SAIL." They have taken up the matter with the Ministry concerned. But there has been no response.

The second thing that they said was that the arbitrary fixation of price of the ship, led the company in a total moss.

The third thing that they said was, there was a slump in the ship industry for a long period of time and a number of private companies have been given loans on concession by the Indian banks but no such revival

plan had been given by the banks to the public sector undertakings. For that who are responsible? It is SAIL who are responsible. It is the financial institutions which are responsible. The greatest responsibility lies on the nodal Ministry.

Therefore, my question to the Minister will be: Whether the Government is ready to take my complaints into consideration? May I know from the Minister whether the Government will inquire into it? May I know from the Minister whether he is ready to assure the House that within a specific timeframe, they will tell the Parliament, about the steps taken for the revival of the Hindustan Shipyard?

Sir, as you know, the Hindustan Shipyard is a prized organisation. It is not only a question of losing employment but losing our face before the entire world. Therefore, I have put a specific question. I wish the Minister gives the answer specifically.

SHRl JAGDISH TYTLER: Sir. it is not true that we have not been adding facilities to the Shippingyard. I just want to give one-by-one details. In 1971 a shipping complex on a modest scale was added.

MR. CHAIRMAN: He talked about the steel not being supplied. The question is about giving the loan on concessional terms by the banks which is available to the private sector.

SHRI JAGDISH TYTLER: Regarding modernisation of shipping industry- .. *(Interruptions)* ... And the investment which we have made. . . *(Interruptions)* ...

MR, CHAIRMAN; His question is very limited. You don't cover the whole thing.

SHRI GURUDAS DAS GUPTA. He is beating about the bush.

SHRI JAGDISH TYTLER: No. I am not beating about the bush.

SHRI PARVATHANENI UPENDRA: Sir please see the answer to question No.' 238. The Minister himself says what facilities he has given for acquisition of ships from abroad. (Interruptions) .

SHRI GURUDAS DAS GUPTA: They are deliberately purchasing ships from outside so that some people can get commission.

MR. CHAIRMAN: The question is limited. Will you see that steel is supplied at the right time? Will you see that they get those concessions from banks which the private snip-builders are getting (Interruptions). Some insinuations were also made. I do not want you to answer them. *(Interruptions)* ...

SHRI GURUDAS DAS GUPTA: They must give a specific time-frame and within that limit, they must come to Parliament and say that they have done it.

SHRI JAGDISH TYTLER: We are already working on certain measures to improve things, I would like to inform hon. Members that, over and above the IPP the shipyard receives subsidy to the extent of 38 per cent of which 10 per cent is payable by the ship owners and 20 Per cent is paid by the Government to the shipyard. So, we are trying our level best to see that things improve and it is not true, as the hon. Member has been repeatedly saying, that we are ordering ships from outside. My first order after I came to this Ministry was that whatever is available in the country will be first utilised and then only orders will be sent outside. I want the hon. Member to know this.

MR. CHAIRMAN; He has not put any order after coming into power. Question No. 224. *(Interruptions).*

SHRI P.. UPENDRA: Sir, please allow a half-an-hour discussion on this.

MR. CHAIRMAN; You write to me. I will see.

SHRI MOTURU HANUMANTHA RAO: Sir, the workers are suffering a. lot because the agreement which is there is not implemented. The hon. Minister promised to us to implement it.

MR. CHAIRMAN; We have moved to question No. 224. We have already spent 52 minutes on three questions. Question No. 224.

Delinking of J and K from census

*224. SHRI KRISHAN LAL SHARMA: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that state of Jammu and Kashmir was delinked from the census held early this year;

(b) if so, the reasons thereof; and

(c) by when Government propose to undertake census in that State?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI M. M. JACOB)-

(a) Yes, Sir.

(b) Separate date, for conducting the census in Jammu and Kashmir state were fixed in consultation with the State Government keeping in view the weather conditions in various parts of the State.

(c) The field situation is not con ducive to holding of the 1991 census in Jammu and Kashmir State. How ever, in J and K in 1986-87, a mini-census based on house to house enu meration was conducted on the lines of a decennial census. Data collected is proposed to be utilised for prepar ing the projected population of J and K State in 1991.

श्री कृष्ण लाल शर्मा : सभापति जी मंत्री महोदय ने इस प्रश्न के उत्तर में स्वयं ही परस्पर विरोधी बातें कहीं हैं। पहले उन्होंने यह कहा है कि जम्मू-कश्मीर में वहां की मौसम की स्थिति के कारण से वहां हम जन-गणना नहीं कर सके।

जो दूसरे पैरा में वह कहते हैं कि वहां की क्षेत्रीय परिस्थिति ठीक नहीं है, इसलिए हम जन-गणना नहीं कर सके, इन दोनों में से परस्पर विरोध व्यक्त हो रहा है। यह एक बात है।

दूसरी बात यह है कि सारी जन-गणना सारे देश में हुई है। मैं नहीं समझता कि कोई विशेष वहां का मौसम है, जो हिमाचल प्रदेश में नहीं है और जम्मू-कश्मीर में है और जिसके कारण जन-गणना वहां पर स्थगित की गई।

मैं समझता हूं कि गृह मंत्री महोदय शायद कल जो हमारे दूसरे हाऊस में रिलीजस प्लेसस पर बिल पास हुआ है और वह जम्मू-कश्मीर पर एक्सटेंड नहीं हो रहा है, तो वह शायद इसका उत्तर देते कि वहां का मौसम देखते हुए हम वहां पच इंप्लिमेंट नहीं कर सके।

मैं यह जानना चाहता हूं, सरकार के इस उत्तर से, कि क्या जन-गणना को स्थगित करने के लिए यह आवेदन प्रदेश सरकार ने किया? आपने जो कहा है कि प्रदेश सरकार के साथ परामर्श करके कोई इसमें से हमने और तिथियां बदलने का फैसला किया। मैं यह जानना चाहता हूं कि क्या यह आवेदन प्रदेश सरकार ने किया? केन्द्र और प्रदेश सरकार के किस स्तर पर परामर्श होकर यह तय हुआ और जनगणना के लिए अगली तिथि कौन सी तय हुई? क्योंकि इसमें आपने यह कहा है कि आपस में सलाह करके अगली तिथि तय की गई वह कौन सी तिथि तय हुई और उसके बारे में मेरा पहला प्रश्न यह है, इसका जवाब देंगे तो दूसरा प्रश्न करूंगा?

SHRI M. M. JACOB; Sir, Mr. Sharma has asked a volley of questions in one question and has combined several aspects. The first part he was mentioning about the question